Elia, Yehezel Elyaho, David

On 12/19/05 S/A Longo and Eis met with Jared Scharf, defense attorney for Yehezel Elia, Elia Yehezel, defendant and Cindy Dunn, AUSA. The meeting was requested by Jared Scharf for his client to provide information regarding a tax violation. AUSA Dunn requested that Elia provide his criminal responsibility regarding the tax evaded items prior to listening to Elia's information. During the meeting Elia admitted that he did not report all of his business income from his various businesses in violation of Title 26 USC, 7201 and Title 26 USC 7206(1). Elia also explained in detail, all of his current assets including rental buildings. After explaining how he did not file accurate business and personal returns, Elia provided the following information:

Elia and his brother, David Elyaho, own and operate a small costume jewelry store located in Cross County Shopping Center. Their store purchases its costume jewelry from a business located on Broadway between the 20's and 30's. No specific information was provided however it was all alledged that the store owner was not reporting all of his cash purchases over \$10,000, an 8300 Form violation. Elia stated that he was willing to go undercover and make purchases in cash over \$10,000 if needed, in exchange for a cooperation letter from the AUSA.

The information provided by Eila was not specific and did not include full names. S/A Longo asked when Elia last purchased over \$10,000 worth of jewelry from the vendor and he stated that he never has.

Prior to leaving the meeting Elia signed a Proffer agreement and a copy was retained by S/A Longo.

At the conclusion of the meeting the AUSA and the Agents agreed that the information provided was not considered significant to warrant an investigation for any tax or non tax violation.

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Room 3.15pm to 5000 pm 12/19/05 Conterve Room Shed schanf - Esq EliA, Yekusel, Client Subject protresses SAI Prosignimo MA Chys. Han Davd, Ausn Hab En, S/A Patrich Couss, S/A-Backsond -Can Us - 1973, MAY Queens College & You appen wan - back to Ishnel 1973 74 6 moths Afth CAN back to US from Israul Socia -> Adelphi Unions to - Schilmship fa socia EL A(- Security Agest - Keddod Amport Diplomatic VISA Passings, Materialy Stre Mars stre, with Partier?
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First Touch - Afr steath store expertations

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- Phole Island - Landford recommendations

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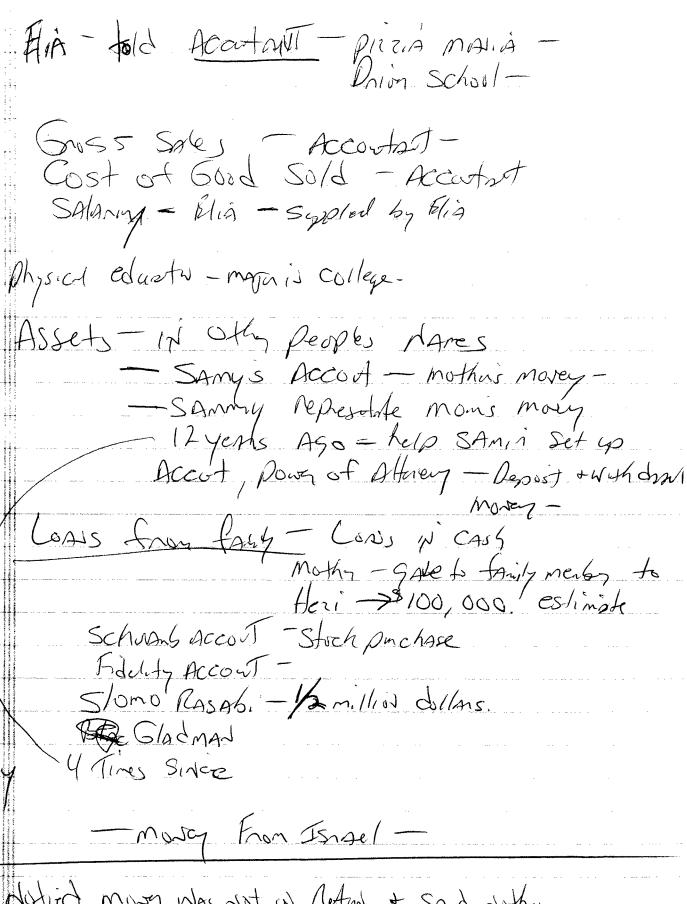
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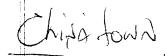
Filed 05/23/2008 ~ Page 43 of 38 Case 7:07-cr-00543-KMK Do Janeal Schaff FliA, Subject Prata 11500Am to SAT hes 19,000 Al Kelsbress. Costure Tensley - Conjeveture - Fala 30 sold for 60 Cortant Number 1225 Brundway / Between 29 - 30" stout (4005, feet) All Floors - live going into building - Peddler + Frenian - Eleusta, Wandwy, Touch Stairs P512 5 Hon - 2 Mids 6y + 6in Sect ups it worked

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Document 38-3 Page 16 of 38 Filed 05/23/2008 10/36 Am - 10:40 Few dill Janked Strat Did Detelo ma Polone Le Gerpany Stantonketo F.4 - Felong The many ords Mike - styped Payroll Schene - Stoler moeny -Phynoil Sewices - 941 Generaled Produlet 941 - ging exployee Plia - PAYonto with Coursheel min son - Account, Sole of Payon mo - monadas Nike-Copy of morey aders Nike step shipping Coll of public Amines.

Case 7:07-cr-00543-KMK Filed 05/23/2008 Page 17 of 38 Nike topped they materaders. Kan I more SAY GENUTH - Accorded

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12/19/05

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2004-05

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Filed 05/23/2008 Page 23 of 38 12/19/05 <u>Conference Room</u> 3:15pm to 5:00pm Shed schanf - Esop EliA, Yeknel, Cliail Subject furtiesses SAI Presignimo 19A Chys. Hin David, Ausri Has Ess, S/A Postnich Lorgs S/A. Com Us - 1973, May Queens Callege & -macs You appen wan - back to Ishael 1973 74 6 moths Afth cAm back to US from Israul Socia -> Adelphi Wionsty - schilmship fusoca EL Al - Securty Agest - Keddag Ampint Diplomatic Visa asmus's Materisty Stre mans stre, with Pantiver? (ISD Diagra Service by the case Pantion back Isnal Barel - book 5200 A most fast 2nd stre) - Brox store -115 Shes = Expertations" Malls Very expusive - Industry fell - stre closed

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AND MOSHERLAMONIONS SChool + Pizzis MANIA NO STERM MANIA Elia wife was whay of driving school. 1999 - 2002 - NO W-2 - Sweshmaria 2003 - W-2 - April 16,2004 - W-2 Sweshmaria Accordant Szenhania no mongadas - NO CAH Only CASH Elis - Mistale by Accountant"-not supplied by

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Document 38-3

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Case 7:07-cr-00543-KMK

1419/05 1973 - Quens College - Y.K. war Retraw to wrall - Adelphi tenin - Scholarship Security at Amport STARTER MATERIAL Store Queno with Partie ISTAUL BAREL he went back to IMAR Opened Second Store in Brown. 15 StorBS - EXECTABLENS Closel all Stollos change & market IN mall ofered Election. CS Store Charged to Tothing Store in Cross Gonty Mall Cost 10,000 in Chila in versory Changed on \$ 16box wom

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Sell excess merchandise moted 2 years ago
Part of Snewler manin
Dynasty was Part of this Corp.

(/)March 6, 2006 FliA, Subject Sol herigner Phata 11500pm to Al Retabresa. Costure Dewley - Conjeveture - Falu 30 soil fro60 /Botrow 29 - 30 - Start (4005g feet) - live gong IND building - Peddler + Frenier Eleuster, Wardwy Touch stairs Sect UPS it worted whole sple + Retail. Girl of Drung school

Case 7:07-cr-00543-KMK Document 38-3 Filed 05/23/2008 Page 35 of 38 hipa town Don upstains - Fake Goods -may - Lady street with Catalogs tes hobotes, No - K Tibulo 6/205 Nihus WWW. CNXZ, CN Chipa shoes Suargzhou General Tradus Company Alex Zhang 1201-3215432 201-321-5432 WWW. general trady chicom - 321 who higher street Cychy sine Trading Co, Utd.

Case 7:07-cr-00543-KMK Document 38-3 Filed 05/23/2008 Page 37 of 38 4/18/06 10:30 Am - 10:40 - Fine dall Janked Stroot Al Detab Sal Prescencon Accordant 6 Gorpany 830 Fakreto F.4-Felory 700 may ordes Nike-styped Paynoll Savices - 941 Produlet 941 - ging exployee PAYMED WIM Coursheed 1 moon gon - Pocata, Sole of Payme Lut of Florie mo - moogadas the-copy of morey aders.

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